UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2007

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to _____________

Commission file number: 001-000316

INDEPENDENCE LEAD MINES COMPANY

(Exact name of registrant as specified in its charter)

Arizona	82-0131980
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

510 Cedar Street
Wallace, Idaho 83873
(Address of principal executive offices)

Issuer’s telephone number, including area code: (208) 753-2525

Check whether the issuer (1) has filed all documents and reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filings for the past 90 days. **Yes** ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act:
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act.): Yes ☐ **No** ☑

APPLICABLE ONLY TO CORPORATE ISSUERS:

There were 5,255,793 shares of the issuer’s common stock, par value $0.10, outstanding as of August 7, 2007.

Transitional Small Business Disclosure format (check one): Yes ☐ **No** ☑

INDEPENDENCE LEAD MINES COMPANY QUARTERLY REPORT ON FORM 10-QSB FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information with the instructions to Form 10-QSB and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 2007 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2007.

For further information refer to the financial statements and footnotes thereto in the Company's Annual Report on Form 10-KSB for the year ended December 31, 2006 incorporated by reference herein.

INDEPENDENCE LEAD MINES COMPANY

INDEX TO FINANCIAL STATEMENTS

INDEPENDENCE LEAD MINES COMPANY

BALANCE SHEETS

June 30, 2007 and December 31, 2006

		June 30 2007 (unaudited)		December 31 2006 (unaudited)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	258,778	$	187,572
Royalties receivable		1,500		1,500
Prepaid Expenses		500		50,000
Marketable securities		1,006		1,006
Total Current Assets		261,784		240,078
PROPERTY AND EQUIPMENT:		-		
OTHER ASSETS:		-		-
TOTAL ASSETS	$	261,784	$	240,078
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	$	8,097	$	4,546
Accrued expenses		-		-
Total Current Liabilities		8,097		4,546
DEFERRED INCOME		455,000		446,000
STOCKHOLDERS' EQUITY				
Common stock, $0.10 par value; 10,000,000 shares authorized, Shares issued and outstanding: 5,255,793 shares at June 30, 2007; 5,075,793 shares at December 31, 2006		525,579		507,579
Additional paid-in capital		4,458,972		4,206,972
		4,984,551		4,642,051
Less deficit accumulated		(5,185,864)		(4,925,019)
Total Stockholders' Equity		(201,313)		(210,468)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	260,284	$	240,078

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE LEAD MINES COMPANY

STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
REVENUES	$ -	$ -	$ -	$ -
GENERAL AND ADMINISTRATIVE EXPENSES				
Consulting	7,800	813	7,300	1,313
Accounting	7,560	-	7,560	4,360
Directors fees	-	-	142,080	-
Licenses and fees	134	74	134	74
Office and administration	91	-	318 227	194
Office services	150	150	300	300
Shareholder Relations	538	272	1,453	1,692
Transportation	-	137	870	1,519
Legal	102,051	5,194	103,922	7,757
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	118,324	6,640	263,937	17,209
LOSS FROM OPERATIONS	(118,324)	(6,640)	(263,937)	(17,209)
OTHER INCOME (EXPENSES)				
Interest and investment income	1,991	928	3,092	1,423
Interest and financing expense	-	-	-	-
TOTAL OTHER INCOME	1,991	928	3,092	1,423
INCOME (LOSS) BEFORE INCOME TAXES	(116,333)	(5,712)	(260,845)	(15,786)
INCOME TAXES	-	-	-	-
NET LOSS	$ (116,333)	$ (5,712)	$ (260,845)	$ (15,786)
BASIC AND DILUTED NET LOSS PER COMMON SHARE	$ (0.022)	$ (0.001)	$ (0.051)	$ (0.003)
BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	5,208,320	5,075,793	5,142,423	5,042,460

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE LEAD MINES COMPANY

STATEMENTS OF CASH FLOW

	Six Months Ended	
	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (260,845)	$ (15,786)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	-	-
	-	-
Changes in operating assets and liabilities:	-	-
(Increase) decrease in prepaid expenses	49,500	-
(Increase) decrease in royalties receivable	-	(1,500)
Increase (decrease) in accounts payable	3,551	(5,155)
Increase (decrease) in deferred income	9,000	9,000
Net cash used in operating activities	(198,794)	(13,441)
Investing activities:	-	-
Net cash used in investing activities	-	-
Financing activities:		
Proceeds from sale of common stock	270,000	72,500
Net cash provided by financing activities	270,000	72,500
Net increase (decrease) in cash and cash equivalents	71,206	59,059
Cash and cash equivalents, beginning of period	187,572	173,522
Cash and cash equivalents end of period	$ 258,778	$ 232,581
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Income taxes paid	$ -	$ -
Interest paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Noncash expenses	$ -	$ -

The accompanying notes are an integral part of these financial statements.

INDEPENDENCE LEAD MINES COMPANY
NOTES TO INTERIM FINANCIAL STATEMENTS

Note 1 - Organization and Description of business

Independence Lead Mines Company ("the Company") is a corporation organized under the laws of the State of Arizona on September 16,1929. The Company is the owner of fifteen patented and fourteen unpatented mining claims. This claim group (the "property") is situated Northwest of Hecla Mining Company's Lucky Friday Mine in the Coeur d'Alene Mining District, Shoshone County Idaho. The Company's property is part of the "DIA Area" which is currently being developed and mined by Hecla Mining Company. The Company has been in the exploration stage since its inception. The Company's only recurring source of funds has been a monthly advance royalty from Hecla Mining Company of $1,500. In March 2002, the Company notified Hecla Mining Company that it considered the DIA Lease terminated and as a result would no longer accept advance royalty payments. Subsequent to that notice, the Company began accepting advance royalty payments, pending the outcome of the dispute between the Company and Hecla Mining Company. On July 19, 2004 the court ruled in favor of Hecla Mining Company. Subsequently, the Company appealed the court's decision to the Idaho Supreme Court, and on April 24, 2006 the Court ruled against Independence. On May 26, 2006 the Company requested that the Court grant rehearing of the case, which was subsequently denied. The Company is currently considering further options.

Note 2 – Basis of Presentation

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Regulation S-B as promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements. These unaudited interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2006. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented.

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company's financial position and results of operations.

Certain balances from prior year financial statements have been reclassified to conform with the current year presentation.

Operating results for the six month period ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

Note 3 – Recent Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115" (hereinafter "SFAS No. 159"). This statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. This statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007, although earlier adoption is permitted. Management has not determined the effect that adopting this statement would have on the Company's financial condition or results of operation.

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Post-retirement Plans – an amendment of FASB Statements No. 87, 88, 106, and 132(R)" (hereinafter SFAS No. 158"). This statement requires an employer to recognize the overfunded or underfunded positions of a defined benefit post-retirement plan (other than a multi-employer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not for profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year end statement of financial position, with limited exceptions. The adoption of this statement had no immediate material effect on the Company's financial condition or results of operations.

Note 4 – Marketable Securities

The Company's investments in equity securities are intended to be held for a short period and are classified as trading securities. These securities are recorded at fair value as current assets on the balance sheet under the caption of marketable securities. The Company's marketable securities consist of capital stock of other companies in the mining industry.

Note 5 – Mineral Properties

The Company is the owner of fifteen patented and fourteen unpatented mining claims. This claim group ("the property") is situated Northwest of Hecla Mining Company's Lucky Friday Mine in the Coeur d'Alene Mining District, Shoshone County, Idaho. Adjacent are the community of Mullan and U.S. Interstate Highway 90.

Pursuant to the terms of an agreement dated February 8, 1968, among Hecla Mining Company ("Hecla"), Day Mines, Inc. ("Day"), Abot Mining Company ("Abot"), and the Company (the "Unitization Agreement"), the Eastern portion of the Company's Property (approximately five-eighths of the Property) was unitized with certain adjoining and near-by properties owned by Day and Abot into a unitized area, consisting of 55 claims, (known as the "DIA Area").

By a second agreement also dated February 8, 1968 (the "(Lease Agreement"), Hecla leased the DIA Area for a period of fifty (50) years, subject to a 30-year extension, for the purpose of conducting mineral exploration and development of the DIA Area and mining such commercial ore as may be discovered in the DIA Area by Hecla.

The Lease Agreement provides that all costs and expenses incurred in the exploration, development, and operation of the DIA Area are to be paid by Hecla subject to the right of Hecla to be reimbursed for such costs and expenses, together with all advance royalties paid, out of any future net profits realized from the operation of the DIA Area. After recovery of Hecla's costs and expenses and amounts paid as advance royalties, and the establishment of a three month working capital reserve, net profit royalties are to be paid to the Company and the other property owners. The Company is currently receiving $1,500 per month in advance royalties.

Note 6 – Restatements

As discussed in Note 2, the Company has restated its financial statements to reflect a retroactive adjustment to write off the costs of previously impaired mining property ($2,945,407) and unrecovered exploration costs ($187,920). The adjustment resulted in an increase of the balance of accumulated deficit at June 30, 2007 and December 31, 2006 of $3,133,327 and corresponding reductions in the mining property and unrecovered exploration cost accounts at those dates.

Note 7 – Capital Stock

<u>Preferred Stock</u>

The Company has no preferred stock authorized.

<u>Common stock:</u>

In September 1997 the capitalization of the Company was increased from 4,000,000 shares to 5,000,000 shares of $1.00 par value common stock. In September 2005 the capitalization of the Company was increased from 5,000,000 shares of $1.00 par value common stock to 10,000,000 shares of $0.10 par value common stock. The common stock and additional paid-in capital accounts at December 31, 2004 have been re-stated to reflect the change in capitalization.

During the year ended December 31, 2004 the Company sold 357,000 shares of common stock at an average of $0.62 per share and issued 10,000 shares of common stock for services received. In addition, the Company sold 61,436 shares of treasury stock at an average price of $0.88 per share.

During the year ended December 31, 2005 the Company sold 300,000 shares of common stock in private placement at an average price of $0.54 per share.

During the year ended December 31, 2006 the Company sold 100,000 shares of its common stock in private placement at an average price of $0.725 per share.

On March 28, 2007 the Company announced a forward stock split, retroactive to March 22, 2007, of one additional share of common stock for each ten shares of common stock held. There is no record date and new certificates will be issued to include the stock split upon surrender of the old certificates to the Company's transfer agent, OTC Stock Transfer, Inc. 231 East 2100 South, Salt Lake City, Utah 84115. There is no closing date for surrender of pre-split certificates.

On March 19, 2007 the Company initiated a private offering of common stock to purchase, in the aggregate, 200,000 shares of common stock of Independence Lead Mines Company at a price of $1.50 per share. The offering was limited to Directors, Management, and key consultants for the Company. The offering was not fully subscribed and the offering was closed on April 24, 2007 after the sale of 180,000 shares. The private placement shares are restricted from sale or other transfers for a period of 48 months.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This Quarterly Report on Form 10-QSB, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and the Company's future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). These statements are based on current expectations, estimates, forecasts, and projections about the industry in which the Company operates and the beliefs and assumptions of the Company's management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," variations of such words, and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of the Company's future financial performance, the Company's anticipated growth and potentials in its business, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified elsewhere herein and in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006 under "Risk Factors." Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statements for any reason.

Overview

The Company is the owner of fifteen patented and fourteen unpatented mining claims. This claim group ("the property") is situated Northwest of Hecla Mining Company's Lucky Friday Mine in the Coeur d'Alene Mining District, Shoshone County Idaho. Adjacent is the community of Mullan and U.S. Interstate Highway 90.

Pursuant to the terms of an agreement dated February 8, 1968, among Hecla Mining Company ("Hecla"), Day Mines, Inc. ("Day"), Abot Mining Company ("Abot"), and the Company (the "Unitization Agreement"), the Eastern portion of the Company's Property (approximately five-eighths of the Property) was unitized with certain adjoining and near-by properties owned by Day and Abot into a unitized area, consisting of 55 claims, (known as the "DIA Area"). Under the terms of the Unitization Agreement, ores and minerals in place are owned by the parties thereto in the following percentages:

Day (now Hecla by merger)	47.70%
Independence	46.30%
Abot	6.00%

By a second agreement also dated February 8, 1968 (the "Lease Agreement"), Hecla leased the DIA Area for a period of fifty (50) years, subject to a 30-year extension, for the purpose of conducting mineral exploration and development of the DIA Area and mining such commercial ore as may be discovered in the DIA Area by Hecla.

The Lease Agreement provides that all costs and expenses incurred in the exploration, development, and operation of the DIA Area are to be paid by Hecla subject to the right of Hecla to be reimbursed for such costs and expenses, together with all advance royalties paid, out of any future net profits realized from the operation of the DIA Area. After recovery of Hecla's costs and expenses and amounts paid as advance royalties, and the establishment of a three month working capital reserve, net profit royalties are to be paid to the Company and the other property owners as follows:

Day (now Hecla by merger)	19.08%
Independence	18.52%
Abot	2.40%

Under the terms of the Unitization Agreement, one-half of the first net profit royalties received by the Company are to be paid over to Day (now Hecla) until Day recovers the sum of $450,000. The relationship of the parties to the Agreement may, under certain circumstances, be converted to a joint venture at the option of the property owners, where after the property owners would become participating, non-operating working interest owners who would share profits and expenses in connection with the DIA Area in the same ratio as exists pursuant to lease arrangement with Hecla described above.

Until Hecla commences to pay net profit royalties and during such period as the Lease Agreement is in effect, Hecla is obligated to pay an advance royalty to the Company of $750 per month subject to increase to $1,500 if production for the DIA Area exceeds 2,000 tons per month. The Company currently receives an advance royalty of $1,500 per month, which is recorded in the financial statements as deferred income.

Pursuant to the terms of the February 8, 1968, agreements, Hecla will be obligated to pay a royalty of 18.52 percent of defined net profits after Hecla has recouped its costs to explore and develop this property from the new discovery to Independence Lead Mines Company.

Since June 30, 1999 the Company has experienced substantial differences with the Lessee. In January 1997, Hecla chose to go forward with the DIA Project's Phase III and by June 1, 1998 the Project reached full production. In the first year of full production the Project lost $785,000 after mining and milling 260,000 tons. Independence requested Hecla to stop mining to prevent loss of the resource. Hecla's management has refused all requests to act with prudence, and continues to mine at this writing. Since Hecla chose to go forward with Phase III, through the end of 2004 there have been 1,428,000 tons mined and milled and all development costs have been lost. Request for prudence over the years has failed. During 2003 Hecla mined and milled 151,991 tons containing 15.76 oz. Silver per ton, 9.05% lead, and 2.18% zinc, and during 2004 164,624 tons were mined and milled assaying 13.17 oz. silver per ton, 7.78% lead, and 2.36% zinc. For the year 2003 the Project lost $723,147 and for the year 2004 the Project lost $3,000,605. The DIA Project total cost at December 31, 2004 was $36,353,259, and as of December 2005 Hecla has reported mining and milling 1,723,510 tons over the life of the DIA Project. Total un-recouped project costs reached a new high of $43,279,805. During 2005 the lessee mined and milled 214,158 tons containing an average grade of 12.2 ounces of silver, 7.3% lead, and 2.74% zinc. Total DIA Project production for 2006 was 276,393 tons, and Total Project Costs were reduced by $12,577,900. For the first six months of 2007 DIA project Costs were reduced by $11,596,939, leaving total remaining project costs of $19,020,603. The Company remains opposed to lessee's actions taken over approximately nine years on Independence's mining claims.

Results of Operations for the Period Ended June 30, 2007.

Six *months ended June 30, 2007 compared to the six months ended June 30, 2006*:

During the six months ended June 30, 2007 the Company realized no income. General and administrative expenses increased to $263,937 for the six-month period ended June 30, 2007 as compared to $17,209 for the six-month period ended June 30, 2006. The increase was primarily due to payment of retroactive directors' fees of $142,080 and legal fees of $103,922. For the six months ended June 30, 2007, the Company experienced a loss of $260,845, or $0.051 per share, compared to a loss of $15,786, or $0.003 per share, during the comparable period in the previous year.

Liquidity and Capital Resources.

The Company financed its obligations during the six months ended June 30, 2007 from cash on hand and the sales in private placement of 180,000 shares of the Company's common stock at an average price of $1.50 per share. During this period the Company's cash position increased by $71,206. During the six months ended June 30, 2007 the Company used $198,794 in operating activities, principally in connection with the payment of legal fees and directors' fees. The Company's only recurring source of funds has been a monthly advance royalty from Hecla Mining Company of $1,500. The Company has incurred operating losses since inception and has an accumulated deficit of $5,185,864. These factors indicate doubt as to the ability of the company to continue business as a going concern. The financial statements do not contain any adjustments which might be necessary if the Company is unable to continue as a going concern. In order to maintain operations, the Company will have to raise additional capital through loans or through the sale of securities. If the Company is unable to raise additional capital, it may have to cease operations.

In 1999 the Company acquired 38,436 shares of Independence Common Stock on the open market at an average price of $0.49 per share, and in 2000 the Company acquired 94,800 shares at an average price of $0.38 per share. These shares were carried as treasury stock by the Company, and in December 2003, 72,000 shares of treasury stock were sold for $0.70 per share. In the first quarter of 2004 an additional 25,036 shares of treasury stock were sold for $0.75 per share. The remaining 36,400 shares of treasury stock were sold in the second quarter of 2004 at an average price of $0.97 per share. During the year ended December 31, 2005 the Company sold 300,000 shares of common stock in a private placement at an average price of $0.54 per share, and during the year ended December 31, 2006 the Company sold 100,000 shares of common stock in a private placement at an average price of $0.725 per share.

During the six months ended June 30, 2007 the Company completed a private offering of 200,000 shares of the Company's common stock at a price of $1.50 per share. The offering was limited to Directors, Management, and key consultants for the Company. The offering was not fully subscribed and the offering was closed on April 24, 2007 after the sale of 180,000 shares. The shares were issued as restricted stock which prohibits the sale or other transfer of the shares for a period of 48 months.

The current officers and directors of the Company are not considered by the Company to be employees and have served until the current year without compensation since their election to the Board of Directors in 1997. In March 2007 the Company paid retroactive directors' fees of $142,080 to members of the Board.

ITEM 3. Controls and Procedures

Disclosure Controls and Procedures.

The Company's principal executive officer and principal financial officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-13(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, the Company's principal executive officer and principal financial officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

Changes in Internal Control Over Financial Reporting.

There was no change in the Company's internal control over financial reporting that occurred during the six months to which this report relates that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is currently in litigation with Hecla Mining Company over Hecla's operation of the Lucky Friday Mine under the agreement covering the DIA Project. The Company has retained the Boise law firm of Marcus, Merrick, Christian and Hardee as it's attorneys. As required by terms of the 1968 Lease Agreement with Hecla Mining Company, our Company gave notice of termination of that agreement in early March 2002. This agreement covered the DIA Project, which is Hecla's principle operation at the Lucky Friday mine near Mullan, Idaho. Both parties agreed to waive the arbitration requirement contained in the lease and agreed to a trial without a jury

A nine-day trial was held from March 22nd through April 1st of 2004, and closing written arguments were submitted to the court by April 30, 2004. Further, the court required the parties to submit to the court a written rebuttal to the other party's closing arguments by May 17, 2004. On July 19, 2004 the court ruled in favor of Hecla Mining Company. On April 24, 2006 the Idaho Supreme Court upheld the First District Court decision. In reaction to that decision Independence requested the Court grant rehearing of this matter on the 26th of May 2006 because, in our opinion, the Court's April 24th decision (2006 Opinion No. 44) effectively changes the law of contracts in Idaho. It is the Company's position that, under the Court's Opinion, in any contract – or at in the least any mining lease – the use of language giving a party "exclusive" rights as to some aspect of its subject matter eliminates the duty of that party to act prudently or in good faith, even if the contract includes other language stating the parties' intent that such a duty remain. At least under the facts of this case, it means that a party may intentionally act for its own reasons that are outside of the stated objective of the contract, causing damage to the other party, without consequence. The Company believes that this is a dangerous and potentially far-reaching change, and was reached primarily because the Court failed to read the "exclusive right" language in harmony with the rest of the contract, and to apply the terms of the contract as a whole.

It is the Company's position that the Court's Opinion also creates the new rule that an express duty to consult is a nonmaterial, unenforceable contract term. This contravenes the rule that all parts of a contract should be made effective and not rendered superfluous. Finally, the Court's decision that Hecla acted reasonably is based on factual conclusions which are not supported by substantial evidence in the record. The Opinion ignores several undisputed facts contrary to its conclusions.

The Idaho Supreme Court subsequently denied a rehearing of their decision, and the Company filed a complaint against Hecla on December 11, 2006 in the United States District Court for the District of Idaho. The complaint has been amended to assert RICO. The federal court may choose to hear of the case or not; if the court refuses to hear our complaint, Independence will appeal to the U.S. Ninth Circuit Court in San Francisco.

On January 5, 2007 in the First Judicial District of the State of Idaho in and for the County of Shoshone, the Company filed a complaint against Hecla for rescission of contract. A hearing was held on May 9, 2007 and the court ruled in favor of Hecla.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the year ended December 31, 2006 the Company sold 100,000 shares of the company's common stock in private placement transactions without registration under the Securities Act in reliance upon the exemptions from the registration requirements provided by Section 4(2), and Rule 506 of Regulation D under the Securities Act. The proceeds of $72,500 have been used for Company operations and to finance the litigation with Hecla Mining Company.

During the six months ended June 30, 2007 the Company initiated a private placement of 200,000 shares of common stock with officers and directors of the Company at a price of $1.50 per share. The offering was closed on April 24, 2007 after the sale of 180,000 shares. The shares were issued in April 2007 and will be restricted for a period of 48 months, during which period the sale or transfer of the shares will be prohibited. The proceeds of $270,000 from the sale of the shares will be used for Company operations and to pursue litigation against Hecla Mining Company.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

The Company's annual meeting of shareholders was held on September 23, 2005. The following items were submitted to a vote of the shareholders at the meeting and approved.

a) Re-election of five directors to serve for terms ranging from one year to three years.

b) Amendment of the Company's Articles of Incorporation to increase the capitalization of the Company from 5,000,000 shares of $1.00 par value common stock to 10,000,000 shares of $0.10 par value common stock.

Item 5. Other Information.

None.

Item 6. Exhibits.

(a) Documents which are filed as a part of this report:

1. Financial Statements: The required financial statements are contained in Pages F/S-1 through F/S-7 of this Form 10-QSB.

2. Financial Statement Schedules: Financial statement schedules have been omitted as they are not applicable or the information is included in the Financial Statements.

3. Exhibits:
31.1 Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act. Filed herewith.
31.2 Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act. Filed herewith.
32.1 Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350. Furnished herewith.
32.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350. Furnished herewith.

99.1 Notification of Forward Stock Split. Incorporated by reference from Form 8-K filed April 25, 2007.

(b) See (a)(3) above for all exhibits filed herewith.

(c) All schedules are omitted as the required information is not applicable or the information is presented in the Financial Statements or related notes.

INDEPENDENCE LEAD MINES COMPANY

SIGNATURES

In accordance with Section 12, 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

INDEPENDENCE LEAD MINES COMPANY

By: /s/ Bernard C. Lannen
Bernard C. Lannen, its
President
Date: August 14, 2007

By: /s/ Wayne L. Schoonmaker
Wayne L. Schoonmaker, its
Principal Accounting Officer
Date: August 14, 2007

EXHIBIT INDEX

31.1 Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act. Filed herewith.

31.2 Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act. Filed herewith.

32.1 Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350. Furnished herewith.

32.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350. Furnished herewith.

Exhibit 31.1

INDEPENDENCE LEAD MINES COMPANY

CERTIFICATIONS

I, Bernard C. Lannen, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Independence Lead Mines Company.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the small business issuer is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation, to the small business issuer's audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 14, 2007

/s/ Bernard C. Lannen
President

Exhibit 31.2

INDEPENDENCE LEAD MINES COMPANY

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Wayne L. Schoonmaker, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Independence Lead Mines Company.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The small business issuer’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the small business issuer is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the small business issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the small business issuer’s internal control over financial reporting that occurred during the small business issuer’s most recent fiscal quarter (the small business issuer’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer’s internal control over financial reporting; and

5. The small business issuer’s other certifying officer and I have disclosed, based on our most recent evaluation, to the small business issuer’s audit committee of the small business issuer’s board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the small business issuer’s ability to record, process, summarize, and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer’s internal controls.

Date: August 14, 2007

/s/ Wayne L. Schoonmaker
Principal Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Independence Lead Mines Company (the "Company") on Form 10-QSB for the period ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bernard C. Lannen, President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

/s/ Bernard C. Lannen
President

Dated: August 14, 2007

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Independence Lead Mines Company (the "Company") on Form 10-QSB for the period ended June 30, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wayne L. Schoonmaker, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition, and results of operations of the Company.

/s/ Wayne L. Schoonmaker
Principal Financial Officer

Dated: August 14, 2007